



CITY OF MENIFEE

SUBJECT: Annual Investment Policy Update for Fiscal Year 2023/2024

MEETING DATE: October 18, 2023

TO: Mayor and City Council

PREPARED BY: Ann-Marie Etienne, Finance Manager

REVIEWED BY: Margarita Cornejo, Deputy Finance Director

APPROVED BY: Armando G. Villa, City Manager

RECOMMENDED ACTION

1. Adopt a resolution approving the annual update to the City of Menifee's Investment Policy for fiscal year 2023/2024.

DISCUSSION

In accordance with the current Investment Policy (Policy Number CC-11) ("Policy"), this Policy shall be reviewed and adopted at least once a year within 120 days of the end of the fiscal year, to ensure its consistency with the overall objectives of preservation of principal, liquidity and return, and its relevance to current law and financial and economic trends.

The Policy was initially adopted in 2008 and has had subsequent updates since then with the last annual update approved by the City Council on September 21, 2022. The Finance Committee reviewed the Fiscal Year (FY) 2023/2024 updated draft policy at its meeting held on September 26, 2023, and recommended approval by the City Council.

The purpose of the Policy is to identify various policies and procedures that will foster a prudent and systematic investment program designed to seek the City of Menifee's objectives of safety, liquidity and return on investment through a diversified investment portfolio.

This policy also serves to organize and formalize the City of Menifee's investment-related activities, while complying with all applicable statutes governing the investment of public funds. This Policy is written to incorporate industry best practices and recommendations from sources such as the Government Finance Officers Association (GFOA), California Municipal Treasurers Association (CMTA), California Debt and Investment Advisory Commission (CDIAC) and the Association of Public Treasurers (APT).

On July 5, 2022, the CMTA Investment Policy Certification was granted to the City of Menifee. This Investment Policy Certification recognizes that CMTA has validated that the City of Menifee's Investment Policy adheres with the State of California Government Code and meets specific requirements deemed to be best practices for municipal agency investment policies. Per CMTA recommendation, The City will seek to certify our Investment Policy every two to three years, or whenever a major update occurs.

Any recommended modifications or amendments shall be presented by staff to the City Council for their consideration and adoption. The draft fiscal year 2023/2024 Policy revisions consist of:

- Investments are prohibited to have a forward settlement greater than 45 days from the date of investment.
- Specify the term to maturity is measured from the settlement date.
- Changing the monthly and quarterly transaction reports (Treasurer) due to the governing body from 60 days to 45 days. This change would ensure compliance with the policy to allow sufficient time to close month end, to reconcile bank/trust accounts, to prepare and review the report(s), to approve staff reports, and to allow for Holidays.
- Although minor changes have occurred with the state government code, we are recommending that we leave the City of Menifee's Policy maximums unchanged.

The overall goal of this policy is to ensure that the City's investments are managed with the degree of professionalism worthy of the public trust, with preservation and protection of the City's assets being the guiding philosophy.

STRATEGIC PLAN OBJECTIVE

Regular City Business

FISCAL IMPACT

There is no fiscal impact associated with the recommended action.

ATTACHMENTS

1. Resolution – FY 2023/24 Investment Policy
2. Exhibit A – Revised Investment Policy FY 2023/2024